

# SHIC

# talk

A program of the North Dakota Insurance Department • Adam Hamm, Insurance Commissioner

August 2008



Dear friends,

In this issue, you'll read about the second installment of a grant from the Centers for Medicare and Medicaid (CMS) that is helping SHIC reach out to more beneficiaries, especially those with low incomes.

The CMS grant is funding a statewide television and radio campaign. The goal of the ads is to increase awareness of the SHIC program and Prescription Connection. I'm pleased to report that within days of the ad hitting the airwaves, call volume and submitted applications both increased more than 200 percent.

In addition, SHIC is using these funds to screen individuals for extra help paying the cost of Medicare prescription drug coverage. Ward, Cass, Burleigh and Morton counties have the highest numbers of eligible residents who have not accessed low-income subsidies in North Dakota.

Grant money will also fund increased and improved training for program counselors and volunteers, a temporary help position in the SHIC office and contracted assistance in the east part of the state to raise awareness about the program.

In distributing this grant money, CMS credited SHIC programs across the country with helping to educate many of the nation's 44 million Medicare beneficiaries so they can make choices that best meet their needs.

Thank you to all who make a difference in North Dakota.

Sincerely,

A handwritten signature in blue ink, appearing to read "Adam Hamm".

Adam Hamm  
Insurance Commissioner

**NORTH  
DAKOTA**

*a program of the  
North Dakota  
Insurance Department*

**S H I C**  
State Health  
Insurance Counseling

Reminder: In late August, people receiving the Social Security Letter to Review Eligibility for Extra Help should respond within 30 days or low-income subsidy may end.

For more information, visit <http://www.cms.hhs.gov>.

## SHIC receives CMS grant

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The Centers for Medicare & Medicaid Services (CMS) recently announced the second installment of funding to the State Health Insurance Counseling Program (SHIC) to help Medicare beneficiaries in North Dakota get more information about their health care choices.

SHIC received \$100,786 in June as part of the \$15 million distributed to SHIPs, which is the second installment of more than \$50 million that will be provided to SHIPs across the United States in 2008. The total SHIP funding in 2008 represents a \$20 million increase in funding over fiscal year 2007. North Dakota's SHIC program received \$226,514 in regular funding on April 1.

"In addition to answering beneficiaries' questions about Medicare, this year's funding should further the SHIPs' efforts to reach those people who are most likely eligible for extra help paying the costs of Medicare prescription drug coverage, and assist them in applying for extra help," said CMS Acting Administrator Kerry Weems.

A significant accomplishment of the SHIPs has been their success in helping to educate many of the nation's 44 million Medicare beneficiaries about Medicare, including their prescription drug coverage options so that they can make a choice about their health care that best meets their needs.

CMS expects the SHIPs to use the increased 2008 funding to conduct targeted community based outreach to beneficiaries who may be unable to access other sources of information such as the CMS online tools at [www.medicare.gov](http://www.medicare.gov).

North Dakota will use grant funds in part to conduct a statewide media campaign, to add education and outreach events across the state with emphasis on immediate screening for low-income benefit eligibility, and to increase and improve training for the counselors and volunteers who help North Dakotans.

Source: Medicare

## CMS announces revised ABN

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On March 3, CMS announced it will implement a revised Advance Beneficiary Notice of Noncoverage (ABN). An ABN makes beneficiaries liable for the cost of a service if Medicare denies payment on the grounds that the service was not medical necessity. The revised form replaces the existing general ABN (ABN-G) that physician offices, outpatient clinics, and other providers use. It also replaces the ABN-L used by laboratories for physician-ordered lab tests.

The revised ABN has a new title that more clearly conveys the document's purpose. It also includes a new option that allows beneficiaries to choose to receive an item or service and pay for it out of pocket rather than have the provider submit a claim to Medicare. CMS is allowing a six-month transition period. All providers must use the new ABN (CMS-R-131) starting Sept. 1, 2008.

Source: Medicare

## E-prescribing: the future is near

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The Medicare Modernization Act of 2003 (MMA) required sponsors offering PDPs and/or MA-PDs to implement electronic programs that transmit information to the prescribing provider, the dispensing pharmacy, and the dispenser. Currently, plan sponsors only transmit information on formularies, cost-sharing, and enrollment status to pharmacies.

The MMA does not require prescribers or dispensers to e-prescribe, but if they choose to, CMS final rule from early April establishes the procedures for prescribers and dispensers who electronically transmit prescription information for Medicare beneficiaries. For those who utilize e-prescribing, the compliance date is April 7, 2009.

The final rule describes three new Part D e-prescribing tools:

- **Formulary and benefit transactions:** Prescribers can receive information about the drugs covered by a patient's Part D plan at the point of care.
- **Medication history transactions:** Prescribers and payers can access the list of drugs dispensed to a patient.
- **Fill status notifications (or RxFill):** Prescribers can receive an electronic notification from the pharmacy if a patient's prescription has been picked up, or if the prescription was only partially filled.

Source: [www.healthassistancepartnership.org](http://www.healthassistancepartnership.org)

## Insurance Department ad to air this summer



ABOVE: Commissioner Hamm runs his lines for the camera. RIGHT: Myron Jabs and Leona, a SHIC consumer, prepare for their portion of the shoot.

Commissioner Adam Hamm recently participated in a video shoot as part of a statewide television and radio campaign raising awareness of the State Health Insurance Counseling (SHIC) and Prescription Connection programs.

The production crew also spent time in Jamestown, filming a consumer with one of the department's SHIC counselors, Myron Jabs of Valley City.

The ad is scheduled to run late July through early August.



## Case scenarios for quality assurance

**Problem:** Bill, a 70-year-old gentleman, came into the office and asked to speak with a SHIC counselor. Bill had been receiving physical therapy for the past six months from a clinic following a surgery. Bill had received a statement from the facility that was much higher than the previous bills. Bill was wondering why there was a sudden increase in his financial responsibility.

The SHIC counselor called the facility and confirmed that he was receiving physical therapy as an outpatient. The SHIC counselor determined that Bill had met his Medicare limit on outpatient therapy. In 2008, Medicare will cover up to \$1,810 worth of outpatient physical and

speech therapy combined, and another \$1,810 for occupational therapy.

**Solution:** Bill's therapy costs were above the therapy maximum. The SHIC counselor suggested Bill tell his therapist that he had met his therapy cap for the year. Bill and his therapist developed an at-home exercise regimen to help Bill maintain his progress and defray additional costs.



## Losing your employer retiree health coverage? Here are your Medigap rights

If your coverage is retiree coverage, Medicare probably pays first and your plan pays second. Here are your rights under Federal law if you are in a plan that pays second, and you lose coverage for one of the following reasons:

- The employer goes out of business
- The employer stops offering the health plan
- You are no longer eligible for the health plan (for example, if the coverage is from your spouse and you get divorced or your spouse dies).

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In this situation, you have the right to buy a Medigap Plan A, B, C or F that is sold in North Dakota by ANY insurance company. You must apply for the Medigap policy within 63 calendar days after the latest of these three dates:

- The date the coverage ends
- The date on your notice that coverage is ending
- The date on your claim denial (if this is the only way you know that your coverage has ended).

If you have any additional questions, contact the North Dakota Department of Insurance at 1.888.575.6611.

## **Medicare paid out as much as \$92M using IDs of dead physicians**

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Medicare from 2000 to 2007 paid between \$60 million and \$92 million to medical suppliers that used the identification numbers of dead physicians to file fraudulent claims, according to a report presented by the Senate Homeland Security and Governmental Affairs Investigations Subcommittee, the Washington Post reports (Lee, Washington Post, 7/9).

For the report, subcommittee investigators examined a random sample of 1,500 physicians who died between 1992 and 2002 and found that 734 of their Medicare identification numbers appeared on claims filed from 2000 to 2007 (Diaz, Minneapolis Star Tribune, 7/9). Those ID numbers were used for 21,458 claims totaling \$3.4 million, and investigators extrapolated from these amounts to estimate a total number of fraudulent claims (Washington Post, 7/9).

Medicare paid an estimated “478,500 claims containing identification numbers that were assigned to deceased physicians” during that period, and those claims “contained identification numbers for an estimated 16,548 to 18,240 deceased physicians,” the report found (Pear, New York Times, 7/9). Active identification numbers for as many as 2,895 dead physicians remain in the Medicare database, according to the report (Washington Post, 7/9).

According to a report released in 2001 by the HHS Office of Inspector General, Medicare in 1999 paid \$91 million in claims that used the identification numbers of physicians who no longer participated in the program. In response, CMS required a one-time elimination of the identification numbers of dead physicians from the Medicare database and ordered contractors to reject claims that used inactive or invalid identification numbers.

However, the subcommittee report found that those measures did not address the issue. “The fact is that, seven years after the problem was first identified, the claims-

review process is still not working properly to reject claims containing the provider numbers of deceased physicians.” The report recommended that CMS eliminate the identification numbers of dead physicians from the Medicare database “on a timely and efficient basis” (Zhang, Wall Street Journal, 7/9).

### **Comments**

Subcommittee ranking member Norm Coleman (R-Minn.) said, “Scam artists have treated Medicare like an automated teller machine, drawing money out of the government’s account with little fear of getting caught,” adding, “When Medicare is paying claims and the doctor has been dead for 10 or 15 years, you know there is a serious problem” (New York Times, 7/9).

Subcommittee Chair Carl Levin (D-Mich.) said, “The slipshod procedures that let these claims get through are an insult to U.S. taxpayers. It is long overdue to shut the door on this multimillion-dollar abuse” (Appleby, USA Today, 7/9).

CMS spokesperson Jeff Nelligan said, “Fraud and abuse in the context of Medicare-covered durable medical equipment has been a focal point of ours in recent years.” He added that a new Medicare competitive bidding program for medical equipment suppliers that took effect July 1 requires suppliers to “be fully accredited based on strict financial and quality standards” (Washington Post, 7/9).

In a June 24 letter to Coleman and Levin, CMS Deputy Administrator Herb Kuhn said that the agency “shares your concerns” and has taken steps to address the issues raised in the report. “We believe the initiatives we have initiated will address many—if not all—of the issues,” he wrote (Minneapolis Star Tribune, 7/9).

Source: Kaiser Network

# PACE—new program for low income, frail older adults

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*Submitted by Rodger Wetzel, Director, St. Alexius ElderCare Program; and Northland PACE Program*

Bismarck-Mandan and Dickinson will be the first sites for a new North Dakota program for low-income, frail older adults. The new program is called PACE, which stands for “Program of All-inclusive Care for Adults.”

It is funded by the U.S. Government’s Medicare and Medicaid Programs (CMS) and approved by the N.D. Department of Human Services. The North Dakota program is sponsored by the Northland Healthcare Alliance, a coalition of many hospitals and nursing homes in North Dakota. There are similar PACE programs in many other states.

To be eligible for this new PACE program, the adult must be at least 55 years of age, must be screened eligible for at least the lowest level of nursing home care, and must be eligible for the Medicaid Program (generally low income) and Medicare programs. Participants should be able to reside in their own home or apartment with all necessary health and other services. Most participants nationally are in their 70s and 80s.

The goal for each participant is to keep that participant as healthy as possible, and out of hospitals and nursing

homes, as much as possible.

A comprehensive assessment is completed for each participant, an individual care

plan is then developed and all necessary medical, health and human services are then provided, including medications. All services are provided by the PACE program, or contracted from other local healthcare and social service organizations.

Anyone wishing more information about the PACE sites and program in Bismarck-Mandan should call Rodger Wetzel, 530-7379; and in Dickinson call Sherri Forsch, 456-7387.



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## Part D co-pay exclusion reminder

The only dually eligible individuals that are excluded from paying Part D co-pays are those that live in institutions. Per CMS definitions of institutions in North Dakota, that would be individuals in LTC facilities, the State Hospital, the Anne Carlsen Center for Children, Stadter Center and Prairie St. Johns.

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## Worth fighting for

The Medicare bill that passed the Senate recently in a dramatic 69 to 30 vote does a lot more than roll back a drastic Medicare pay cut to doctors. Here is our top 10 list of reforms included in the Medicare Improvements for Patients and Providers Act. It includes a number of reforms that the Medicare Rights Center has advocated for years.

- New preventive services of proven benefit will be covered by Medicare.
- Patient coinsurance for mental health services will be lowered from 50 percent to 20 percent, the same rate that

now applies to other doctor visits.

- A life insurance policy or “in-kind” help from friends and family (e.g. with groceries, heating bills) will no longer disqualify people from help with their drug costs.
- Bureaucratic obstacles that prevent low-income people from receiving help with their drug and medical costs will be eliminated.
- The Centers for Medicare & Medicaid Services will be required to rein in the exorbitant broker commissions that have fueled aggressive and fraudulent marketing of Medicare private health plans.

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- Medicare private health plans will be required to provide care coordination and other services that meet the special needs of the enrollees they are designed to serve.
- All Medicare private health plans will be required to implement programs to improve the quality of care they provide.
- Fewer Medicare private health plans will be exempt from requirements that they have networks that guarantee access to specialists and other local providers.
- The Part D drug benefit will cover benzodiazepines, a class of drugs used to treat seizure disorders and anxiety disorders, which are now excluded from coverage.
- Part D coverage for anticancer drugs will be expanded to encompass more treatments that have been shown in respected medical journals to be effective.

To save money—the bill results in a small net reduction in the budget deficit—some of these reforms will be phased

in over a number of years.

These are crucial reforms. In the fight for passage, this legislation was brought to the Senate floor three times for a vote. The dramatic return to the Senate floor of Senator Edward Kennedy, who has been diagnosed with brain cancer, helped tip the scale. The bill passed the Senate, as it had the House, with enough votes to override a threatened presidential veto.

The President should sign the bill immediately. A veto would simply delay implementation until after an override vote. That will complicate implementation of the provisions that are effective immediately. People with Medicare are fed up with politics that prevent them from receiving the care they need.

Source: Medicare Rights Center

## SHIC New Counselor Training

The North Dakota Insurance Department will hold SHIC New Counselor Training Oct. 7–9, 2008 at the Days Inn in Bismarck, 1300 Capitol Ave. E.

Anyone interested in healthcare, insurance or helping people is encouraged to attend. Volunteers are especially needed in western North Dakota.

Training, meals and travel are provided at no cost.

For more information, call 1-888-575-6611  
or email [janfrank@nd.gov](mailto:janfrank@nd.gov).

**NORTH  
DAKOTA**  
Insurance  
Department

**S H I C**  
State Health Insurance  
Counseling Program  
*Adam W. Hamm, Commissioner*

## Director's corner

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Greetings!

As you read on page 2, we recently received \$100,786 in additional funds from the Centers for Medicare and Medicaid services. These additional funds were allocated to SHIPs across the country as a supplement to the annual funds. A major portion of these funds are to provide Low Income Subsidy outreach to counties that have the highest amount of LIS eligible beneficiaries who have not accessed the program. Some of these counties include: Burleigh, Morton, Cass and Ward.

SHIC has hired a representative to assist with some outreach efforts in eastern North Dakota. Myron Jabs, who is located in Valley City, has been with SHIC since 2006. Myron is also very involved in the Senior Medicare Patrol project, administered by Minot State University. Myron will be visiting entities and professionals to describe SHIC and the benefits of LIS. Welcome, Myron!

Don't forget—SHIC is holding our Turning 65 events in Bismarck Aug. 5 at Days Inn and in Fargo at Country Inn and Suites Aug. 12. Email [janfrank@nd.gov](mailto:janfrank@nd.gov) to register. Also, let us know if you would like any flyers or other promotional materials to distribute.

Counselor update training has been scheduled for Sept. 17 in Bismarck. We will not be holding a replicate training in Fargo this year. Counselors should have received their registration forms. If not, please contact Jan Frank at [janfrank@nd.gov](mailto:janfrank@nd.gov) to request a form.

Lastly, thank you for your efforts. Day by day, you help Medicare beneficiaries across North Dakota. Your assistance is priceless.

Sincerely,

Cindy Sheldon



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If you have questions about any content or have suggestions for content for our next publication, please contact Cindy Sheldon, director, at 701.328.9604 or [csheldon@nd.gov](mailto:csheldon@nd.gov).

For Medicare-related resources, please visit  
[www.medicarerights.org](http://www.medicarerights.org).